



POLICY FLASH 2006-06

DATE: November 21, 2005
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management

SUBJECT: FY 2006 Subcontracting Goals

SUMMARY:

This Flash provides the DOE FY 2006 Subcontracting Goal and announces the roll-out of the Government-wide Electronic Subcontracting Reporting System (eSRS).

The DOE Subcontracting Goal for FY 2006 is 41.3%. Contracting Officers should ensure that each contractor's Subcontracting Plan reflects a maximum effort by the contractor to award subcontracts to small business, thereby contributing to the Department's ability to achieve the DOE-wide goal. Remember that AL 2005-08 requires Subcontracting Plans reflecting less than the DOE-wide goal be submitted to the OSDDBU prior to approval/disapproval by the Contracting Officer. As part of contract administration, Contracting Officers must evaluate each contractor's effort to implement its subcontracting plan and call to the contractor's attention any deficiencies.

Contracting Officers are encouraged to remind their contractors that eSRS provides contractors the ability to file subcontracting reports on-line and provides agencies with on-line access to analytical data on the award of subcontracts. eSRS eliminates the need for paper submissions and processing of the SF 294's, Individual Subcontracting Reports, and SF 295's, Summary Subcontracting Reports, streamlining the collection of subcontracting data. The system has been fully operational since October 1, 2005. All contractors subject to subcontract reporting requirements should now be in the process of moving to the new system.

Questions concerning this policy flash should be directed to Sandra Cover at 202-287-1344 or Sandra.Cover@hq.doe.gov.

A handwritten signature in blue ink, appearing to read "Michael P. Fischetti".

Michael P. Fischetti, Director
Office of Procurement
and Assistance Policy

Attachment: FY 2006 Subcontracting Goals



Department of Energy
Washington, DC 20585

NOVEMBER 8, 2005

MEMORANDUM FOR THE DEPUTY SECRETARY

FROM: THERESA SPEAKE, DIRECTOR
OFFICE OF SMALL AND DISADVANTAGED
BUSINESS UTILIZATION

SUBJECT: FY 2006 SUBCONTRACTING GOALS

In response to the U.S. Small Business Administration (SBA) annual call for small business subcontract goals, and at your request, we surveyed the DOE prime contractors to obtain their individual projected small business subcontract goals. In the past the process had been to take the historical reported achievements and use that as a basis for establishing the future goal. The aggregate goal for FY 2006 based on the individual responses came in at 41.3 percent down from the FY 2005 goal of 50 percent.

The rationale provided by many of the contractors who submitted reduced goals was that the previously reported achievements had been in error and that they needed to reduce the goal in order not to over commit. This statement is supported in the General Accountability Office (GAO) Report 05-459.

I am recommending that we accept the attached subcontracting goals as the department-wide goals. I have run this recommendation by Bruce Carnes who had indicated that he will support this recommendation. Once you have concurred, we will submit this data to the SBA.

We will, of course, continue to work with each of the contractors as they develop their individual subcontract plans and goals for FY 2006 to ensure that the Department-wide goal is met.

I concur with the Recommendation:

I do not concur with the Recommendation: _____



ATTACHMENT

FY 2006 DOE SUBCONTRACTING GOALS

SMALL BUSINESS	-	41.3%
SMALL DISADVANTAGED	-	6.33%
WOMEN-OWNED	-	5.76%
HUBzone	-	2.22%
SERVICE DISABLED VETS	-	1.25%